

2008-2009 Consolidated Plan

Recommended Funding Allocations



Overview - Background

- The City receives HUD funding annually.
- This comes as an “entitlement” based on a Federal formula which considers local population, poverty level, and other statistics.
- The City’s funding allocations must be made in accordance with Federal guidelines and the approved **Consolidated Plan**.



Overview, cont'd

- The **Consolidated Plan** includes:
 - Community Profile
 - Housing and Community Development Needs
 - Housing and Community Development Strategic Plan
 - One Year Action Plan



Overview, cont'd

- The **Consolidated Plan** also includes a Neighborhood Revitalization Plan, in which areas have been identified for certain incentives, as well as for investment of CDBG and HOME funds.



Funding Sources/Purposes

- **Community Development Block Grant (CDBG).** To develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.
- **HOME Investment Partnerships (HOME).** To fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
- **Emergency Shelter Grant (ESG).** The first step in a continuum of assistance to prevent homelessness and to enable homeless individuals and families to move toward independent living.



Process – Overview

- Staff estimate funding amounts (Nov)
- City Council designates funding categories and amounts during a Public Hearing (Dec)
- Council appoints Grants Review Committee (GRC) to review applications and recommend funding (Dec)
- Staff issue RFPs and applications based on funding categories and amounts (Dec)



Process (cont'd)

- Proposals and applications are received (Dec)
- Proposals and applications are reviewed by the GRC and another Public Hearing is held (Jan)
- The GRC submits recommendations to the City Manager (Feb)
- GRC recommendations are forwarded to the City Council (Feb/March)
 - Recommendations will include modifications if necessary, based on final HUD allocations



Today's Purpose

- Identify estimated funding for 2008-2009
- Identify funding categories and amounts

Following are the funding considerations and guiding principles that staff used to prepare the following recommendations.



2008 CDBG Considerations

- HUD staff estimate reduced allocation for '08
 - 2007: \$2,919,233
 - 2008: \$2,892,413
- \$350,000 set aside allocation for the New Communities Initiative/StopBlight
 - Funds were designated in 06 and 07 for Save-A-Lot grocery store loan guaranty; that commitment has been satisfied.
 - 08 recommendation is to designate this amount for facility improvements and/or tax foreclosure acquisitions in the New Communities Initiative area or for StopBlight activities in any eligible area.



2008 HOME Considerations

- HUD staff have not provided 2008 estimated funding levels for HOME.
- The staff recommendation assumes same level funding, until further notice.
- 2007: \$1,749,901
- 2008: \$1,749,901



2008 Emergency Shelter Grant Considerations

- HUD staff have not provided 2008 estimated funding levels for ESG.
- The staff recommendation assumes same level funding, until further notice.
- 2007: \$126,435
- 2008: \$126,435



Guiding Principles

- CDBG funding is allocated to the following priority areas:
 - Homeownership
 - Consolidated Plan Priorities
- CDBG Public Services funding category is capped at \$1,163,310.
- CDBG Administration and Planning is capped at 20% of our allocation or \$578,482.
- HOME funding will continue to focus on homeownership.



Staff Recommendations: Housing and NCI - \$1,508,085

■ Housing

- 2007: \$1,212,522
- 2008: \$987,085

■ Environmental Services/OCI

- 2007: \$171,869 (Env Svcs Inspectors)
- 2008: \$171,000 (OCI demolition & clearance)

■ New Communities Initiative/StopBlight

- 2008: \$350,000



Staff Recommendations:

Public Services - \$857,327

- Neighborhood Assistance

- 2007: \$316,438

- 2008: \$325,108

- Women's Services

- 2007: \$269,033

- 2008: \$269,033



Staff Recommendations: Public Services (cont'd)

- Youth Recreation & Enrichment
 - 2007: \$100,000
 - 2008: \$100,000
- Summer Youth Employment
 - 2007: \$163,186
 - 2008: \$163,186

All of the Public Services recommendations are listed in the **Consolidated Plan** priorities.



Staff Recommendations. Planning & Administration - \$527,001

■ Housing & Community Services Dept.

- 2007: \$388,824

- 2008: \$400,629

- Required to administer the program

■ Planning Department

- 2007: \$113,568

- 2008: \$116,372

- Listed in **Consolidated Plan** priorities

■ Urban League – Fair Housing

- 2007: \$10,000

- 2008: \$10,000

- Supports goal of homeownership.



Footnotes to CDBG Recommendations

■ Neighborhood Stabilization

- Program Income is generally calculated in late winter & made available for neighborhood stabilization initiatives in Districts 1, 3, 4, and 6.
- Funds have been allocated in the past, for public facility improvements.
- Staff will provide Council with amounts and recommendations in early spring.



Staff Recommendations!

HOME Project Allocations

- Allocation categories are consistent with 07-08, however line items have been modified:
 - HOME 80 allocation is adjusted to meet needs for anticipated 08-09 development activity
 - 2007: \$735,141
 - 2008: \$540,110
 - HOME Deferred Loan allocation is increased to meet needs & offset CDBG reductions
 - 2007: \$30,000
 - 2008: \$245,000



Staff Recommendations!

ESG Category Allocations

- Essential Services: \$37,931
- Maintenance & Operations: \$44,251
- Prevention: \$37,931
- Administration: \$5,322



Footnotes to HOME and ESG Recommendations

- HOME activity will continue to support homeownership
- Three of the 4 ESG allocation categories have mandated caps; all have been recommended at the maximum amount allowable:
 - Essential Services – 30%
 - Homeless Prevention – 30%
 - Administration - 5%
 - Maintenance & Operations – 35%*

*35% is the balance if all other categories are funded at maximum



Next Steps

- Following today's workshop, staff will make modifications as directed by Council and present the recommendations for Council approval on December 4, 2007.
- Staff will advise Council when HUD releases final CDBG, HOME and ESG allocations, with recommended modifications as necessary.